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COUNTRY: Philippines

SUBJECT: 29 Prospects for Tire Manufacture

SOURCE :

1. The Philippines require 120,000 passenger and 240,000 truck tires annually. Other types of tires such as motorcycle, tractor, airplane, and industrial are used in unimportant quantities.
2. This volume would normally support an efficient factory, but poor economic prospects and an unreliable government have discouraged U.S. manufacturers from entering the production field.
3. A locally owned factory is being put in operation. It was claimed that production would be under way in October 1952, but when I left that month there were no tires on the market nor were price lists available. An eventual production of 300-400 tires daily was planned. I was told by the wife of Jose Marcelo, the head of the company, that only four sizes would be made; 600-16, 670-15, 750-20, and 825-20.
4. Marcelo was sent to the U.S. by Rojas for training. He studied rubber chemistry at Akron University and worked for one of the rubber companies there.
5. The tire machinery was purchased from a tire plant in Mexico that was being closed down and is reported to be obsolete [collector's note: production men who have seen the machinery describe it as junk]
6. Marcelo tried to interest my company in supplying technical help. Apparently he was refused by the major U.S. manufacturers as he had a representative of a small U.S. tire manufacturer at the plant for a time and claims to have some engineers at the U.S. factory for training.
7. Another shoe manufacturer periodically announces they will produce 100 tires daily, but I have been unable to confirm they have any equipment.
8. Such manufacturing ventures can not be protected by tariff under the Bell Act but can be favored by denial of import licenses for foreign made goods.

31-54.49

Philippines

TYPE ACT-DATE INFO-TFR-DATE AREA

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